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3 THE CENTRAL RETAIL FOOD MARKET
OF
CLEVELAND, OHIO

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* * *

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THE CENTRAL RETAIL FOOD MARKET OF CLEVELAND, OHIO

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SUMMARY

A study of the Central Retail Food Market in Cleveland, Ohio was made in 1947 at the request of Mayor Thomas A. Burke. In the previous year the city had voted favorably on a bond issue of \$1,000,000 for the relocation and rebuilding of the market, provided it could be made self-supporting in a reasonable length of time.

The Central Market building, built in 1857 and occupied until December 1949, when it was destroyed by fire, was a barnlike structure that lacked sufficient light, ventilation, water supply, and trash and garbage disposal facilities for the operation of the market in a sanitary manner. It was located in a congested area, with inadequate parking areas and loading or unloading space, and with streetcar and bus lines running on all sides. There appeared to be general agreement among dealers, buyers, city officials, and many others who were interviewed during the study that the market should be relocated. Approximately 95 percent of the 181 dealers doing business there stated they would move to a relocated market and would be willing to pay higher rentals for better facilities.

Two sites suggested by those doing business on the market are near the old market site. Because of the type of buildings located on one site, the cost of acquiring it would be more than twice the cost of the other site, which would bring the total cost of the market development above the \$1,000,000 appropriated for this purpose. Therefore only one of the sites suggested could be considered for the proposed market.

The total cost of building the market on this site would be about \$905,000--\$225,000 for land and \$680,000 for the building. It was estimated that the total annual revenue needed to support the market would be about \$100,000. Rentals from 213 stalls and a restaurant in the proposed market would amount to about \$70,000 annually, thus leaving a deficit of \$30,000. Additional revenue could be obtained from the lease of parking facilities in and around the building, but not in an amount sufficient to meet this deficit. Therefore, to make the market

1/ C. J. Otten supervised the study and Saxon D. Clark was responsible for the survey work and A. B. Lowstuter for the engineering phases. All are employees of the Marketing and Facilities Research Branch, Production and Marketing Administration.

2/ Charles W. Hauck, Department of Rural Economics and Sociology, College of Agriculture, Ohio State University, collaborated. Mr. Hauck now is employed in the Extension Service, U. S. Department of Agriculture.

self-supporting, three ways of reducing the revenue needed should be considered: (1) Attention should be given to the composition of the estimated day-to-day operating expenses of \$49,000 with a view to determining their accuracy and the ability and willingness of the interested people to reduce them. (2) The \$52,000 payments per year for amortization of the investment in a 25-year period at 3 percent interest could be reduced if interest were paid only on the investment in land, if money could be borrowed at a lower interest rate, or if the investment could be amortized over a longer period than that set forth in existing Ohio legislation. (3) Less expensive land could be found outside the downtown area, but the possibility of the loss of customers must be recognized if such a location is considered. If none of the above methods were feasible for reducing the amount of revenue needed, the only other way to make the project self-liquidating would be to charge higher rentals for the stands and the restaurant.

The final determination of whether or not a new public retail market should be built in downtown Cleveland to replace Central Market will have to be made by city officials. In the meantime, many of the retailers who were doing business in the old Central Market have relocated in a nearby private warehouse, and presumably can continue to operate there pending a decision by the city of the desirability of building a new public market.

INTRODUCTION

The citizens of Cleveland for many years have shown considerable interest in publicly owned retail food markets and have maintained and patronized them fairly well. During the past several decades, many public and private groups had expressed an interest in rebuilding, modernizing, and relocating Central Market before it was destroyed by fire in December 1949.

City officials and private groups, for sometime past, recognized that Central Market did not adequately serve its purpose as a retail food market. The Municipal Committee of the Cleveland Chamber of Commerce and the civic group of Western Reserve University made an independent study of the market in 1914. These two groups concluded that a new market house was needed, and that such a market should be relocated in the downtown area. Ten years later, in July 1924, the Municipal Research Bureau of Cleveland made a study of the city-owned retail markets. This committee recommended that Central Market be continued in operation until the new railroad terminal building was completed, after which careful consideration should be given to the selection of a new site for the market.

In 1944 a special committee of the City Council was set up to give consideration to improvements in city-owned retail markets. As a result of the action of this committee, a special election was held in 1946, in which voters of the city of Cleveland approved, among other proposals, a bond issue in the amount of \$1,350,000 specifically earmarked for retail market house construction and repairs. Of the total approved by the voters, \$1,000,000 was authorized for the construction of a new market house to replace Central Market, with the stipulation that the market should be self-liquidating. The remaining \$350,000 was to be spent on rehabilitation of the West Side Market.

A new express highway system proposed for Cleveland is designed to pass through Central Market. The fact that Central Market would be razed in the development of the new highway was an additional factor in the evaluation of the cost of and need for a facility to replace it.

In December 1946 Mayor Thomas A. Burke requested the Marketing and Facilities Research Branch ^{3/} of the Production and Marketing Administration, U. S. Department of Agriculture, to make a survey of Central Market to determine the public need for a new market and whether one, if built, could be made self-liquidating. The Department of Rural Economics of Ohio State University also was invited to participate in the study. In February 1947 representatives of the Marketing and Facilities Research Branch and Professor C. W. Hauck of Ohio State University met in Cleveland

^{3/} At that time this Branch was known as the Marketing Facilities Branch.

with the Mayor's Market Study Committee and representatives of interested city departments. At this meeting it was agreed that the survey should be made for the purpose of determining: (1) The need for a new city-owned retail food market, (2) the kind and size of market that should be built, (3) where the market should be located, (4) how much money would be needed to develop the market, and (5) whether the market could be made self-liquidating.

A preliminary report of the findings was made to representatives of various departments of the city of Cleveland, including the City Planning Board on October 27, 1947. At this meeting, a tentative plan was presented showing how a new central market might be constructed on property lying between the Sheriff Street Cold Storage Warehouse and the Widlar Company, and between Bolivar Road and what is known as the "Rope Walk." It was also shown that a market in this area probably could be liquidated from rentals received from tenants and from parking spaces to be included in the market, provided: (1) The city could amortize its investment over a period of from 30 to 40 years, (2) the city could operate a parking lot for revenue in connection with the market, and (3) the present number of tenants could be kept operating in the new facility.

To consider these problems further, the authors met in May 1948 with officials of the city. At that time it was found that under laws of the State of Ohio, the city could not operate a parking lot but that such facilities would have to be leased to a private operator. Moreover, it was stated that the city could not issue bonds or otherwise obligate its revenue for more than 25 years for the building of a retail market. This report has been prepared to aid the city officials in giving further consideration to the question as to whether a new market could be constructed and made self-liquidating, as approved by the voters. 4/

4/ In December 1949 Central Market burned completely and has not been replaced. The interested retail dealers formerly doing business there have leased space on the ground floor level of the Sheriff Street Warehouse and in adjacent buildings.

PUBLIC RETAIL MARKETS IN CLEVELAND, OHIO

The interest in Cleveland in public food markets dates back to a time before the city was incorporated. As in the development of most other cities, the city fathers set aside certain areas for market places. In 1830, before the city was incorporated, the village trustees passed an ordinance regulating markets. Records show there were four public markets by 1837. In 1839 the city built a fifth market house, and appointed a market clerk to administer its market holdings. The city record of 1878 mentions a "Market Committee," a part of the city council. The records show that certain regulations were instituted, and charges were made to sellers for use of publicly owned markets, the fees going into a market fund.

Central Market

Prior to 1847, when Central Market was first built, the downtown central market was located on Michigan Street, about a block from the present Public Square and near the rear of the Higbee Company building. This market was used for marketing food products from 1839 to 1855. At about the latter date, a prominent Cleveland family gave some land to the city at Ontario Street and Bolivar Road for use in the development of a city retail market. In 1856 the city purchased additional land adjacent to this property at a cost of \$1,500. Work on the construction of Central Market was supposed to commence early in 1857, but because of opposition of retailers and gardeners to leave the Michigan Street site, it was not started until the following year. In April 1858, in order to bring matters to a head, the city council ordered the Michigan Street market house torn down. The dealers on Michigan Street, however, resisted efforts to move to the new market and remained at the old place, doing business in the street and in improvised buildings.

After the Civil War, gardeners and retailers decided to move to the Central Market building as a body, but it was found that the building was not large enough to house all of them. Because the building was simply a relocation of facilities that had existed on Michigan Street, it was not sufficiently modern to meet the needs of the operators. Therefore, the city appropriated about \$40,000 and tore down the greater part of the old building to construct the market house now known as Central Market. This market house was opened for business on September 14, 1867, and most of the tenants from the Michigan Street market moved into it at that time. Since 1867 the only improvements that had been made had consisted of reroofing, occasional painting, and the laying of a cement floor to replace an old wooden floor.

Figure 1 is a photograph of Central Market. The location of this market and other city-owned retail market places is shown in figure 2.

The cost of the original construction of Central Market, not including the value of the land that was donated, was about \$41,500, which amount was appropriated by the city of Cleveland. The financing of markets by the city at that time was from an account known as the "market fund." In 1867 the market fund was depleted. By 1872 a balance of \$11,000 was accumulated, reaching \$111,000 by 1877. In the following year \$85,000 of the accumulated balance in the fund was transferred to the general fund and \$10,000 to the gas fund. After 1888, no evidences of large balances in the market funds are shown, but it is believed that market revenues thereafter were transferred directly to the general funds of the city. No bonds or evidences of other obligations chargeable to Central Market were found after 1888. Although no records were found to show exactly where funds were obtained to repair and maintain Central Market, the opinion of those associated with the market is that these expenditures were made from current operating revenues. From the records, it would appear that the cost of the development of Central Market to the city of Cleveland was liquidated by 1878, when the city transferred accumulated reserves from the market fund to the general and gas funds.

It was not possible to determine in the course of the study the total revenues received from the city-owned markets and the amount of money that had been transferred to the general fund during the period 1888 to 1948. However, a partial record of receipts and expenditures has been maintained by the city since 1930.

A study was made of the revenue and expenditures from Central Market for the period 1936 to 1946. During that time rents were maintained at a fairly uniform rate, yielding an income ranging from a low of \$45,870 in 1940 to a high of \$50,420 in 1946. The average annual income over this period was \$47,755. During the same period operating expenses have averaged \$11,565. Operating expenses were lowest in 1941 at \$11,377 and highest in 1946 at \$14,760. The average surplus of income over expenses at Central Market during the period studied was \$36,190 annually. These expenditures do not include the cost of garbage removal, street-cleaning, policing, electricity, and water, nor do they include any charge for the investment, which was liquidated by 1878, or payment in lieu of taxes.

The present real value of Central Market is not known. Since it is city-owned, it is not assessed. A reliable firm of accountants in 1930 appraised the value of the site, not including the building, at \$263,000. The building probably would be valued at a very low rate, but the land, at today's prices, would probably exceed the 1930 value.

West Side Market

Between 1840 and 1864 various donors gave land to the city near the corner of Pearl Street and Lorain Avenue for market purposes. This location is directly across the street from the present West Side Market House.



FIGURE 1

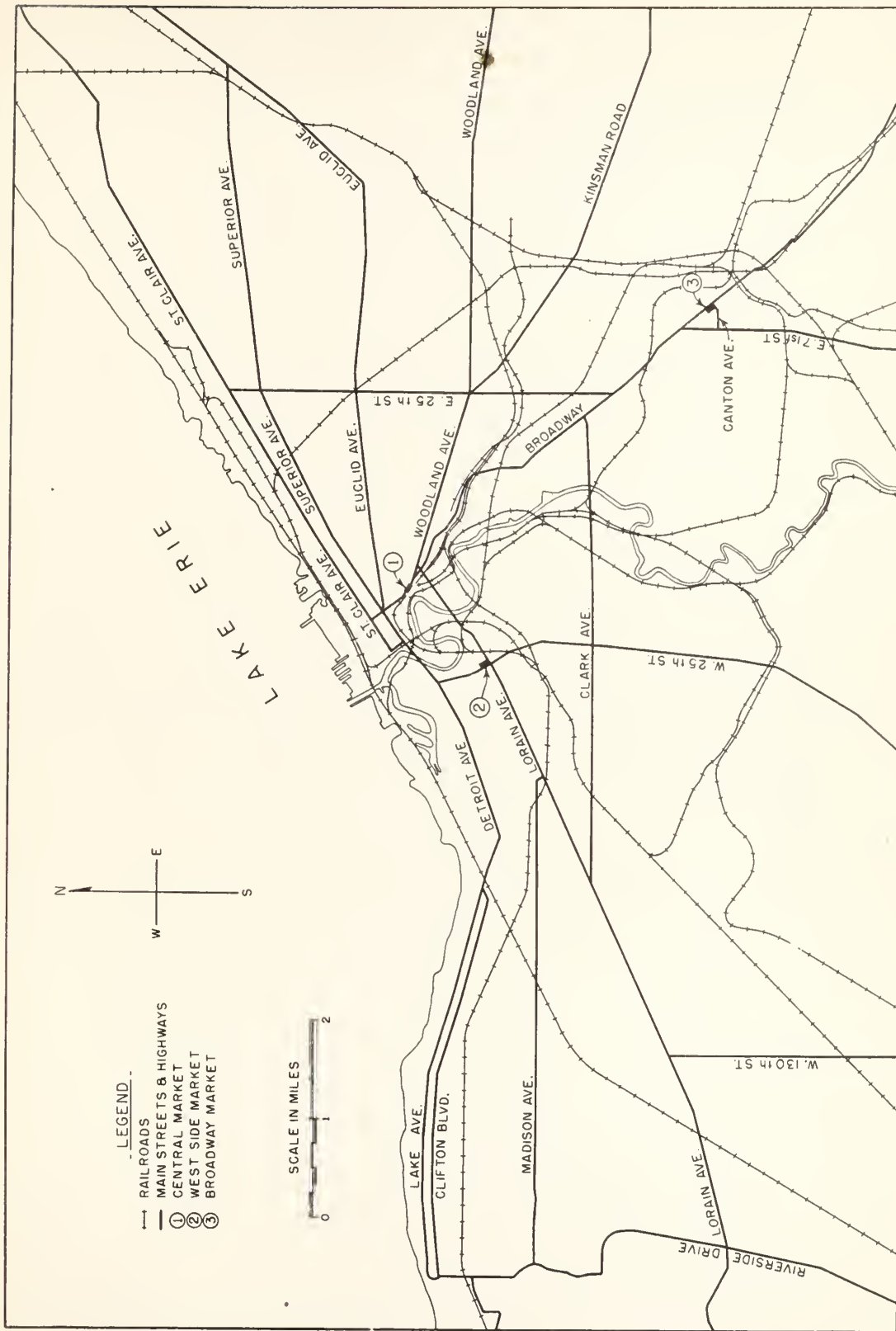


FIGURE 2

It was not until 1868 that a wooden market house was built on this site. Adjacent land was used as an open-air market.

About 30 years later (1898) State legislation empowered the mayor to appoint a market house committee to study conditions and make recommendations for new market houses, particularly for the west side of the city. Although the committee recommended that a site be acquired for a new West Side market, the city council failed to approve the recommendation or to make funds available for it. In 1901 the mayor appointed a new committee which acquired land across the street from the old West Side Market site. It was on this land that the new West Side Market House was built in 1912.

This market house, in a good state of repair except for the refrigeration maintained therein, is fully used at present. It is a well-constructed market building of modern design. It includes stalls inside for retailers of meat and other food products, and a partitioned part for use by retailers of fish and sea food products. On the outside there are covered stalls where fruits, vegetables, flowers, and other products are sold. In the basement refrigeration is maintained for use by market tenants.

In 1901 the city issued \$110,000 in bonds in anticipation of building a new market house on the west side of the city. These funds were used to purchase land and the buildings thereon for the new market. Owing to the difference of opinion among city officials sufficient funds were not made available to complete the market house until some time later, and the total financing was not completed until 1914. The amount of bonds issued during this period and the maturity date are as follows:

<u>Date of issue</u>	<u>Amount</u> <u>Dollars</u>	<u>Date of maturity</u>
1901	110,000	1923
1903	50,000	1918
1906	150,000	1928
1910	150,000	1940
1912	25,000	1942
1914	75,000	1932

Interest rates on the bonds averaged a little in excess of 4 percent. No regular provision for amortization of the bonds was made, but \$160,000 was retired by 1926 and the remaining \$400,000 and all interest were liquidated some years ago. From available city records, it is shown that the total cost of West Side Market was substantially greater than the bond issues indicate. In a 1912 report of the Superintendent of Markets, the following costs are shown:

<u>Item</u>	<u>Dollars</u>
Cost of land	157,124.76
Cost of buildings	541,092.87
Cost of market house commission	2,325.86
Cost of south half of refrigeration plant	<u>34,347.23</u>
Total	734,890.72

According to an estimate made by the Municipal Research Bureau of Cleveland in June 1924, an additional expenditure of \$35,000 was made after 1912, to complete the remainder of the refrigeration plant. The total cost of the market house and refrigeration plant contained therein was \$769,890.72. This amount exceeds the bond issues by about \$110,000. Apparently, in the development of the West Side Market from 1901 to 1914, a considerable part of the cost of the market was taken out of annual operating expenses, the general market fund, and other sources.

The income and expenditures of West Side Market for the years 1936 to 1946 were studied in the course of the survey. The average annual receipts during this period amounted to \$58,277, and average annual expenditures to \$22,880. The average surplus of income over expenditure during these years amounted to \$35,397 annually. It is not known whether the bonds issued to develop West Side Market were liquidated from the revenue from that market or whether revenues and other receipts from all markets in the city were used.

The surplus of income over expenditures, as shown above, would have been substantially greater had it not been for losses incurred in the operation of the refrigeration system in West Side Market. The average annual income during 1936 to 1946 was \$19,400 from rentals of refrigerated space in the market, and the annual expenditures for the refrigeration were \$30,420. This represented an annual loss of \$11,020, or a total loss of \$121,220 for the 11-year period. A closer analysis of the expenses of operating the refrigeration plant would show that it cannot be supported from revenues obtained from the users because the cost of engineering service is high and the plant is not operated at full capacity at all times. Moreover, the management does not have the flexibility it needs to maintain full occupancy in seasons when tenants of the market do not need the available capacity.

The present real value of West Side Market is not known, but the land value was appraised at \$348,900 in 1930 and is probably worth more today. The principal market building and the adjacent covered sheds are well built and of good structural material, and they would probably be appraised at a relatively high value.

Broadway Market

The Broadway Market--the third and smallest of the city-owned retail markets--is located at Broadway and Canton Avenue. Few facts concerning

the early history of this market have been obtained. It was built about 1884 and was designed to serve citizens of Newburgh Heights, which was then a high-class residential neighborhood. Manufacturing and business enterprises have developed in most of the neighborhood since the market was built, and the residential population has moved to other parts of the city. 5/

It is not known how this market was originally financed, since records of bond issues for its development were not found in the course of this study. Apparently it was developed from revenues received in the market fund. The market is small and has never been a large factor in the distribution of food in the city of Cleveland as have been the other markets discussed.

Records of the city show that income from all sources at this market during the 1936-46 period had averaged only \$2,550 annually and operating expenses during the same years had averaged \$2,420 annually. During these 11 years the annual surplus of incomes over expenses had been only \$130.

Other City-owned Retail Markets

Although, as has been mentioned, the city of Cleveland had four retail markets in 1830 and another market was built in 1839, it has not been possible to find out what disposition was made of these markets during the past century. Two or three of the markets in existence more than a century ago have disappeared, and the reasons for their abandonment were not obtained in the course of this survey. Likewise, it was not possible to obtain information on the financial status of their operation or their value at the time they were abandoned.

Summary of Values and Financial Status of City-owned Markets

The value of markets operated at present by the city was not determined. A reputable firm of public accountants made an estimate of depreciated value of all city-owned markets in 1930. At that time the total value of land was placed at \$616,705, buildings at \$538,710, and total value of land and buildings at \$1,155,415. The value of land in 1930 for Central Market was placed at \$263,000, \$348,905 for West Side Market (including both the land of the new market and that on which the old one was situated) and \$4,800 for Broadway Market land.

5/ This information was obtained from a report upon the operation of the municipal markets of the city of Cleveland--Municipal Research Bureau of Cleveland, July 1924, also, from the reports of the commissioner of markets.

It seems reasonable to assume that the value of land and probably of buildings has increased since 1930. All three city-owned markets operating at this time are free of debt. Total receipts from their operation exceed expenses.

Privately Owned Retail Market Houses

A description of retail market houses in the city of Cleveland would be incomplete without reference to the unusual development of privately owned retail market houses. Nine privately owned retail market houses were constructed and put into operation late in the Nineteenth and early in the Twentieth Centuries. Their operation has been similar to that of the city-owned market houses, in that space is rented to retailers of a variety of foodstuffs. One of these privately owned market houses, the Sheriff Street Market, well-constructed and located only one block from the Central Market, was used at the time of this study for storage, packing, and other nonmarket uses. Another was located on the west side near Detroit Avenue and West Sixty-First Street. All the others were situated in neighborhood shopping centers on the east side along Broadway and Euclid and Superior Avenues.

Changes in population, the encroachment of other businesses, opportunities for other uses, and changes in the modes of retail shopping have resulted in the closing of all but two of these privately owned market houses. The most important one now operating is located at Woodland Avenue and East Fifty-fifth Street. This market continues to enjoy fairly good patronage because it is situated in a populous and low-income neighborhood at the junction of several lines of public transportation.

The second privately owned market house now operating is located near the corner of Euclid Avenue and East One Hundred and Fifth Street. Only a small part of the original building is now used for selling food at retail, and the remainder of the building is used by businesses that can afford higher rents than those retailing food. The retail dealers in this market cater to a class of trade who come to the market by automobile and from a nearby public transportation transfer point.

OPERATIONS OF CENTRAL MARKET

Central Market occupied a part of a block of downtown Cleveland near the east end of the Carnegie-Lorain Bridge, bounded by Ontario Street, Bolivar Road, East Fourth Street, and Eagle Avenue (fig. 3). This site is about three blocks from the Public Square, near the center of the downtown shopping area of the city. Numerous streetcar and bus lines pass the market and traverse streets within a few blocks of the market. Between the Public Square and the market are several of Cleveland's important department stores, selling all kinds of commodities at retail. A cold storage warehouse is on Bolivar Road within a block of Central Market.

Description of the Market

The Central Market Building, approximately 360 feet long and 48 feet wide, was built of wood and had high ceilings supported by structural iron beams (fig. 1). The building had 9 entrances. Two entrances, each about 6 feet wide, were located at the south end of the building and formed the entrance into the aisles running north and south through the building. At the north end of the building there was only one entrance, 10 feet wide. Three entrances, 6 feet wide, were on the east and west sides of the building and formed the entrance into aisles running east and west in the building. The latter aisles divided the space in the building into 4 sections of about equal size. Inside the market building there were 143 stalls. Figure 3 shows the layout of these stalls. The size of individual stalls varied from 50 to 70 square feet, and the length of stall counters varied from 7 to 10 feet. Retail dealers selling merchandise in stalls faced aisles of about $6\frac{1}{2}$ feet in width which separated the center stalls from those along the sides of the building.

Outside the building a sidewalk extended 10 feet 6 inches to the curb line on the east, west, and north sides. A tin roof canopy extended from the building proper to slightly beyond the edge of the sidewalk. At the south end of the building a sidewalk of irregular width extended to the curb. This sidewalk was about 22 feet in depth at the west corner of the building and approximately 37 feet in depth near the east corner. On the outer edge of these sidewalks were 104 stands. Most of the dealers in outside stands had a tarpaulin which could be lowered from the edge of the roof to the curb to give protection during bad weather. On the east, north, and west sides of the building the outside stands occupied about 3 feet 6 inches of sidewalk space to the curb line, which left about 7 feet of sidewalk space between the stands and the building. Wooden platforms, 3 feet wide, were built into the street at curb level behind the stands. This was the only space allotted to retail dealers occupying the stands for the storage, preparation, and sale of their produce. During nonmarket days these wooden platforms were moved to the sidewalk to release the street space for movement of traffic.

Most of the dealers renting outside stands followed the practice of stacking merchandise on the street. These piles of merchandise, extending from 6 to 8 feet beyond the wooden platforms, made it impossible for vehicles to pass between them and the streetcars passing along East Fourth Street. Like the stalls inside the market these sidewalk stands varied in size. Including the counter and platform, most stands had a depth of 6 feet, and the counter width was from 6 to 10 feet.

The office of the market master was on the mezzanine floor, about 150 feet from the north end of the building near one of the east and west aisles. Wash rooms and public toilets for the use of tenants and customers in the market also were on the mezzanine.

Retail Dealers of Central Market

Central Market had been in operation for more than 80 years. Many of the retail dealers had operated within the market for 50 years prior to its burning, and some of the buyers had patronized these dealers throughout this period. Although the city is as well serviced as most others of comparable size by independent and chain retail food stores, a large number of consumers in the area preferred to buy at Central Market.

Central Market was open on Tuesday, Thursday, and Saturday of each week. On Tuesdays and Thursdays selling hours were from 5 a.m. to 3 p.m. Dealers were allowed to remain an extra hour to close their stands. On Saturdays the market was open from 5 a.m. to 8 p.m. Few dealers either inside or outside the market building were ready for business at the opening hour. Usually they did not open their places of business until 7 or 7:30 a.m. There was no set time at which dealers actually closed their stands at the end of a market day. Many of them followed the practice of closing at any time from 12 until 3 p.m., the exact time depending upon whether their stocks were sold out and whether customers continued to come to their places of business. Outside dealers were very irregular in their selling days on the market and the hours of selling. Only about one-half of the stands outside the building operated the full 3-day week during the entire year. Some did not sell at all during winter months because of the cold weather, and 17 outside dealers never opened their stands except on Saturdays.

Within the market building 101 independent dealers occupied 143 stalls. Of these dealers, 70 sold fresh and cured meats and meat products; 2, dressed poultry exclusively; 6, groceries and grocery specialty items; 8, baked goods; 9, butter, cheese, and eggs; 3, fresh and cured fish; 2, meats and poultry; and 1, candy, peanuts, and soft drinks. Of these dealers, 62 used single stalls; 33, 2 stalls each; 3, space equivalent to slightly more than $1\frac{1}{2}$ stalls each; 2, 3 stalls each; and 1, 4 stalls.

Ninety inside dealers, who were interviewed, reported regular employment of 150 persons, including the proprietors, and 82 extra

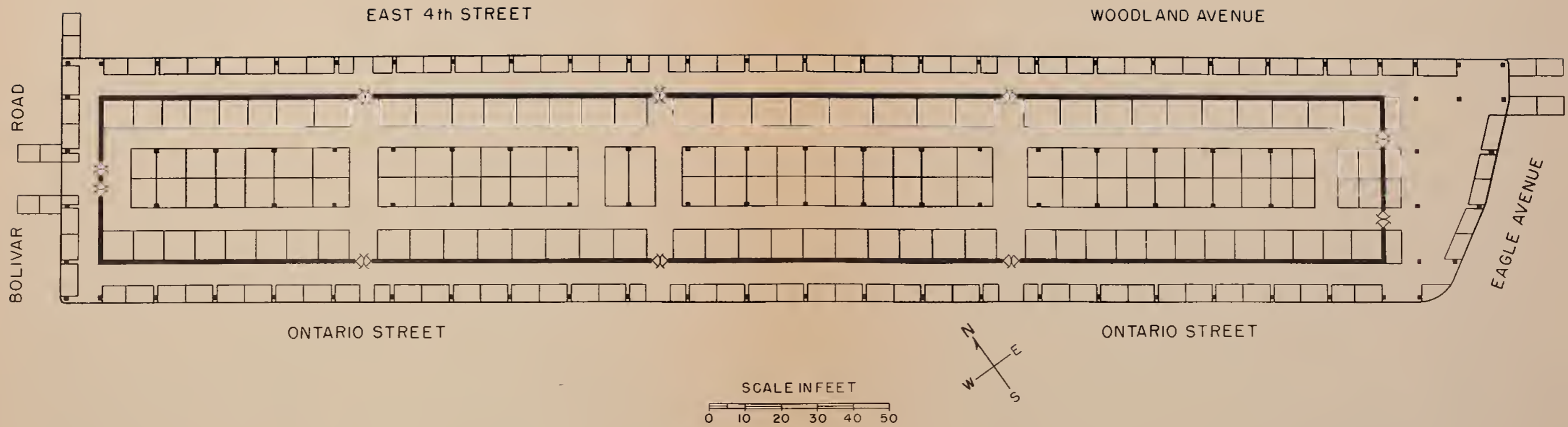


FIGURE 3

employees working on Saturdays and preholidays. For the 11 dealers who were not interviewed, it was estimated that they used 18 regular and 10 part-time employees.

Fifteen of the 101 inside dealers also rented stalls at the West Side Market, where the market days are Monday, Wednesday, Friday, and Saturday of each week. Several dealers were engaged in wholesale and retail businesses at other locations in the city. Another dealer was a restaurant purveyor, and still another operated a restaurant and bakery in downtown Cleveland. On those week days when Central Market was closed, other dealers employed their time in cleaning stands, buying supplies, cutting meats, making sausage, or otherwise preparing food products for selling on market days.

Only 19 dealers made a practice of hauling supplies in their own or hired trucks; 12 reported the use of personal automobiles for emergency transportation of supplies or for making deliveries. The remainder depended on wholesale suppliers to deliver their purchases to Central Market.

Fresh fruits and vegetables constituted the major portion of the business done in stands outside of the building. The 104 outside stands were used by 80 independent retail dealers, of which 74 sold fruits and vegetables exclusively; 1 handled eggs only; 2, vegetables and eggs; 1, dried fruits, nuts, dried beans, and cereals; 1 dealer specialized in honey, eggs, plants, and seeds; and 1 sold candies exclusively. Outside the market building 47 dealers rented single stalls, 26 rented 2 stands each, 5 rented space equal to about $1\frac{1}{2}$ stands, and 2 dealers rented space equivalent to 3 stands. Outside dealers employed 140 regular workers and 65 extra hands on Saturdays and preholiday work days.

Among the 80 dealers renting outside stands, 17 reported they also sold at West Side Market. Many others stated that their time on days when Central Market was closed was spent in purchasing supplies or working in wholesale or retail vegetable stores owned by themselves or by relatives.

Dealers renting stands outside the market building owned 66 trucks which were used in hauling supplies to Central Market. Two other dealers used personally owned automobiles, and 1 employed a pushcart in transporting supplies to the market. The remainder had their supplies hauled to them.

Volume of Business

Central Market offered to the retail shopper a place where at one stop a rather complete line of foodstuffs could be purchased. The total volume of retail sales inside and outside the market amounted to well over \$5,000,000 in 1946. Fresh and processed meats accounted for the largest part of the business both in volume and dollar sales, fruits and

vegetables being second in volume. Also, large quantities of butter, cheese, eggs, poultry, groceries, fresh and cured fish, and other edibles were handled which amounted to a sizable tonnage and dollar value.

Patrons of Central Market

In previous studies of the market by municipal committees and by independent groups, reference has been made to the large number of people who traded at Central Market. In order to determine the number of people visiting Central Market on representative market days, counts were made on Saturday May 3, Tuesday May 6, and Thursday May 8, 1947, for 10-minute periods each hour during which the market was in operation. On the basis of these counts, it was estimated that 30,389 people visited the market on Saturday May 3; 5,820 on Tuesday May 6; and 5,090 on Thursday May 8.

To find out why these buyers patronized the market, 509 customers were interviewed. Of the patrons interviewed, 62 percent resided in the eastern section of the city, 6/ 18 percent in the West Side, 2 percent in the South, 15 percent in the Southeast, and 3 percent in towns outside metropolitan Cleveland.

Patrons interviewed were asked what mode of travel they used to and from the market. Of the number answering this question, 68 percent used public transportation, 27 percent regularly came in their own automobiles, 3 percent sometimes used their automobiles and at other times used public transportation, and 2 percent walked from their homes to the market. Of the patrons driving automobiles to the market, only 25 percent made regular use of parking lots near Central Market, 50 percent always parked on the street, and the remaining 25 percent used parking lots at times and public streets at other times. Many people answering this question said they had great difficulty in finding places near the market to park their cars, and some stated they regularly drove their car around the block several times while a member of the party shopped in Central Market.

6/ The eastern section of the city from which most patrons originate, is bounded on the west by East Thirtieth Street, Kingsbury Viaduct, Independence Road, to its intersection and Harvard Avenue and East Twenty-sixth Street, then proceeds along Grant Avenue to the intersection of Garfield Boulevard and Warner Road; on the east by Warner Road, East Ninety-third Street, Woodhill Road, Fairhill Road, East One Hundred and Seventh Street to Euclid Avenue, East Boulevard to Superior Avenue, Rockefeller Park to St. Clair Avenue, East Eighty-second Street to tracks of the New York Central Railroad; and on the north by tracks of the New York Central Railroad. This area of the city is heavily populated but is well serviced by numerous retail stores, one store for each 90 families.

Each customer interviewed was asked the number of years he had patronized Central Market. Approximately 50 percent had been shopping there for over 20 years. Many said they had used the market for as long as 40 to 50 years. Approximately 30 percent had been regular customers from 10 to 20 years; 9 percent, from 5 to 10 years; and 10 percent, from 1 to 5 years. Those indicating they had been coming to Central Market for less than 1 year accounted for less than 1 percent of all patrons interviewed.

Patrons gave three reasons for buying at Central Market: Lower prices, better quality, and a wider selection of food products. Many said all three reasons influenced them to trade there.

Of the patrons interviewed, 78 percent stated they made a special trip to Central Market to buy food. The other 22 percent did not make a special trip for this purpose.

In answer to the question, "When shopping in Central Market, do you also go into downtown stores," 47 percent of the buyers interviewed answered yes, 30 percent said they did not shop at downtown stores, 13 percent qualified their answer by adding that they visited retail stores occasionally, and about 10 percent interviewed failed to answer.

In answer to the question, "If Central Market were moved to another location, would you still buy food there," about 80 percent answered yes, and the remaining 20 percent qualified by saying they would continue to patronize it in a new location only if centrally located and if public transportation were immediately available.

To the question, "If Central Market were no longer at its present location, would you still come downtown to buy nonfood items," approximately 98 percent replied in the affirmative. In answer to the question, "Do you think the city of Cleveland should build a new market," 90 percent said yes, 9 percent said they did not think the city should build a new market as higher taxes and higher food prices would result, and a few stated they thought the city could get along without Central Market.

Patrons of Central Market were asked to suggest a new location for the market. All replied the new market should be located in downtown Cleveland. A few recommended that it be located away from a street on which heavy traffic prevailed but near public transportation and parking areas.

Services Rendered by Dealers in Central Market

Without a close study of its operation, a person would wonder how Central Market was able to survive the competition of super markets and other retail markets where modern methods of merchandising were

being used, especially since the market building was of very poor construction and would not be expected to attract sellers and buyers of food. However, a close study of the operations of dealers and of buyers brought out some important reasons for the existence of the market.

Dealers in Central Market offered to consumers a very wide variety of commodities, and many different qualities and grades of each type of commodity. Certain items or grades of commodities could be found in Central Market on any market day that could not be found in some of the retail stores in the city. Some unusual and seldom-procured items were offered for sale on almost all market days. If a buyer did not find a particular commodity on a market day, he could usually leave an order for it for the following market day, if the product were in season and available.

Most dealers in Central Market were expert merchandisers of the food products they handled. They cut and trimmed the meat or other product to the satisfaction of the buyer. The dealer knew many of his customers and endeavored to give each one the service he wanted.

A comparison of prices in Central Market with prices in certain large retail stores on a few of the basic food commodities, such as meat, potatoes, citrus fruit, and butter showed very little difference. However, it was difficult to make true price comparisons because dealers in Central Market generally trimmed the product closer, cut it especially to meet the requirements of the customers, or performed some other special service. Most dealers in fruits and vegetables generally handled a large volume of products which they procured on the principal wholesale market at a reduced price because the commodity was too ripe to be placed in regular wholesale channels. However, this produce was possibly more palatable than some produce procured through a regular retail market.

DEFECTS IN CENTRAL MARKET

The principal defect in Central Market was the lack of proper sanitation to protect the health of consumers. This lack of maintenance of proper sanitation came about as a result of technological changes in food handling during the past century. Without any plan for financing improvements, it was not possible to put into effect changes as they were needed during this period.

As a result, Central Market was a barnlike structure that lacked sufficient sunlight, ventilation, and artificial lighting for the operation of a food market in a sanitary manner. The construction of the building did not permit the proper control of rodents, flies, and other insects, and the premises could not be properly cleaned. The only water available in the building was that provided near the offices, which situation did not encourage tenants to properly clean their stalls or stands. Dealers followed the practice of placing sawdust and wood shavings on the entire floor of the building. With heavy pedestrian traffic moving through the market--up to 30,000 per day--this material became dirty, was ground up fine, and was continually stirred up by gusts of wind or the movement of traffic. These particles were in the air and came to rest on exposed food products offered for sale by retail dealers.

There were no designated places or receptacles provided for the disposal of trash and garbage. Many tons of refuse were thrown into adjacent streets, which caused excessive expense to the city in cleaning the streets and the interior of the market.

Central Market was surrounded by streets, with streetcar and bus lines running on all sides. Sidewalk space around the building was shallow. The location caused considerable congestion of pedestrians moving into and out of the market and tended to congest vehicular traffic on adjacent streets. The lack of adequate parking and unloading space in or near the market added to the congestion. These conditions made it impossible for dealers in the market and buyers coming to the market to be properly serviced.

Another defect was that fish dealers were not separated from dealers in other types of commodities. Although there were only a few fish dealers, the fish odors permeated the entire market.

Central Market did not provide adequate refrigeration. The refrigerated storage space used by dealers was across East Fourth Street and in some cases a half to three-quarters of a block away from the market. When the day's business was completed, dealers carried or pushed on hand trucks the commodities to be stored. In many instances, meats and other products were moved to the storage plant in open barrels or containers and thus exposed to the dust and dirt from the street.

There was a serious lack of public toilet facilities in the market building, and those available were on the mezzanine and not accessible to the general public.

LOCAL INTEREST IN A NEW CENTRAL MARKET

An important factor to be considered in deciding on the nature and practicability of building a new retail market is the extent of interest among dealers, consumers, and others in supporting it. There would be no reason to build a new market if these groups were not interested in using it.

An attempt was made to find out the attitude of all interested groups toward the proposal for building a new retail market in Cleveland. Approximately 95 percent of the dealers recognized the defects in the market and recommended that a new one be built. These dealers stated they would want space in a new market if constructed. Many dealers stated they would want more space than they had in Central Market and would be willing to pay somewhat larger rentals.

Two-thirds of the buyers who were interviewed expressed an opinion as to whether a new market should be built. Seventy-five percent of this group recommended that a new and modern market should be built. Some buyers did not express an opinion because of the lack of information on the new market location. They wanted to be assured that public transportation and parking space would be available nearby before stating whether they would use the facilities. They also were concerned as to whether retail prices would have to be raised in the new market to offset economies that were realized in Central Market.

Representatives of the Cleveland Chamber of Commerce, wholesale food interests, and many other organizations and individuals were interviewed during the survey. All expressed an interest in the replacement of Central Market as an improvement for Cleveland.

Practically all departments of the administration of Cleveland were interested in the development of a new central market. Naturally some of the city officials and representatives of private organizations were concerned as to whether the cost of the market might be liquidated within a reasonable time and whether there was an economic need for such a market.

There appeared to be general agreement among dealers, buyers, and others who were directly concerned with Central Market, that it should be relocated. There were some differences of opinion among the various groups as to where the market should be located and whether the cost could be liquidated within a reasonable time.

THE KIND OF MARKET THAT MIGHT BE NEEDED IN CLEVELAND

It has been pointed out that there were 101 dealers occupying stalls inside Central Market and 80 dealers using stands outside for selling merchandise. Any new market constructed should provide adequate facilities for all dealers desiring space. In planning a new market consideration should be given to the possibility that the market might need to be expanded at some future time and to the possibility that some alternative use might need to be made of the facility if it is not needed for market purposes at some later date.

Appropriations for the construction of a new market have been voted upon by the citizens of Cleveland, and, as has been said, the available funds are known to be approximately \$1,000,000. Regardless of the availability of funds, extreme caution should be exercised by those responsible for the building of the market to make sure it is not overbuilt. The facilities constructed should provide for present needs only, and the investment should be no larger than can be liquidated from current operating revenues over a reasonable period. To insure against overbuilding, a wise policy to be followed before construction is started would be to obtain a lease from all persons who would use the market. The market should be modern, durable, and of simple design, and consideration should be given to the inclusion of parking space for patrons and others.

Retail Market Building

In order to find out the area required and to illustrate how stalls, stands, and other facilities might be arranged in a new market building to meet the needs of dealers and buyers, a suggested layout on one of the sites to be considered later is shown in figure 4. The layout provides space for those dealers who stated they would move to a new market. However, if some dealers do not sign leases for facilities in the new market, the size of the building should be reduced accordingly. Some dealers occupying stands outside of the Central Market building stated during the survey that they would prefer stall space inside a new market building. The proposed layout provides space as requested by these dealers.

The building proper in the proposed layout is 218 feet long and 110 feet wide, including the walls. The roof of the building would extend over outside stands, which are provided on one side and end of the building because some dealers preferred to continue to operate outside the market building. The over-all dimensions of the building, including the outside stands, are 258 feet long and 134 feet wide.

The building should be constructed of reinforced concrete and concrete blocks or bricks, the choice depending upon the cost of the materials. Either type of structure may be easily maintained in a sanitary condition and is durable and rodentproof. Tile blocks are not recommended for areas where vehicles move because they can be broken and this condition would permit rodent infestation.

PROPERTY LINE

10' DRIVEWAY OVERHEAD

8' WALK

8' x 8' STANDS

STALLS

9' AISLE

STALLS

9' x 9'

9' AISLE

STALLS

9' x 9'

MEZZANINE

STALLS

9' x 9'

9' AISLE

STALLS

9' x 9'

OVERHEAD DOORS

LOADING PLATFORM

24' x 54'

54'

21' x 21'

RESTAURANT

36' x 45'

OFF.

8' x 6' STANDS

8' WALK

OVERHEAD DOORS STANDS

8' WALK

STREET

PARKING

PROPERTY LINE

218'

258'

312.23'

40'

54.23'

110'

14.4'

198.55'

54.35'

34'

SCALE IN FEET

0 20 40

OUTSIDE BLDG.

76 - 8' x 8' STANDS

INSIDE BUILDING

137 - 9' x 9' STALLS

C - REFUSE CHUTE TO BASEMENT

E - ENTRANCE OR EXIT

FIRST FLOOR PLAN

COLD STORAGE WAREHOUSE

FIGURE 4

Space is provided in the building for 137 stalls, 9 feet wide by 9 feet deep, all of which face 9-foot aisles. These stalls would provide dealers inside the building with about 11,100 square feet of space as compared with about 8,250 square feet inside the Central Market building. In addition to these stalls, space is planned for fish dealers in a partitioned room. This room contains 6 stalls, 9 feet wide by 9 feet deep, facing a 9-foot center aisle, and would provide 486 square feet of stall space. Space for a restaurant 36 feet wide by 45 feet deep, including the kitchen, also is included in the layout.

On the outside of the building the layout provides 76 stands, 8 feet wide by 8 feet deep, facing an 8-foot walkway. These stands would provide 4,864 square feet of space, as compared with 5,556 square feet outside the Central Market building.

The first floor of the building should have at least an 18-foot ceiling. At one side of the building a mezzanine floor could be built to contain offices, public toilets, employee and storage rooms, and such other services as might be needed. The mezzanine could be 36 feet wide and 72 feet deep, or even larger if it were determined that more space could be used advantageously. The floor of the mezzanine should be about $8\frac{1}{2}$ feet above the first floor, which would leave a 9-foot ceiling on the mezzanine.

A 10-foot one-way drive is provided on the outside of the stands on Bolivar Road to permit dealers to unload produce to be sold in stands outside the building. With such a driveway, dealers could unload products without interfering with vehicular or pedestrian traffic on adjacent streets. For dealers operating inside the building, an unloading platform at or near truckbed height is provided at the rear, from which they could transport their supplies to their stalls by use of hand trucks.

Any retail market constructed to service buyers and dealers would need parking space. Because of the high cost of land in the downtown area of Cleveland, it would be desirable to provide this space on the roof and in the basement of the building and in nearby areas. In the proposed layout, ramps are provided at one end of the building so as to give access to the basement and roof. Provision for additional parking space should be considered if areas are available adjacent to the site selected for the market.

The cost of constructing parking space on the roof and in the basement would represent only a small increase in the total cost of the building. In a basement could be placed garbage and trash containers into which garbage could move by chutes from the first floor. The basement could extend under the outside stands and be of the same size and dimension as the roof.

The roof could provide 110 parking spaces, 8 by 20 feet each, and the basement, 90 parking spaces in addition to the space for garbage and

trash containers. Some storage could be provided in the basement for tables and other equipment. Also, if the market were located adjacent to a public cold storage warehouse and refrigerant could be procured at a reasonable cost, it might be desirable to use a part of the basement for the construction of cooler space. This determination would have to be made after the market site was selected.

Equipment to be Included in the Market

Some special equipment could be provided for dealers on the new market, such as new tables of steel or hardwood for the use of stand holders outside of the market. Since each dealer's stand would be 8 by 8 feet, the table should not be more than 3 by 6 feet. This size would permit a 2-foot drop leaf to be hinged to the table to close off the entrance to the stall and for use of the dealer in making sales. The top of the table should be so constructed that it could be adjusted to a tilt for displaying merchandise, such adjustment not to exceed a 45° angle. Each dealer's stand could be marked off so that it would not be necessary to have a permanent partition between stands. Dealers selling outside Central Market did not have a partitioned stand.

The buyers' side of the stalls inside the building would be built up to the bottom of the showcase level, or a height of about 3 feet, with good brick, glazed tile, or concrete blocks. On top of this structure the tenant could place the showcase or other display counter, which would be 7 feet long by 3 feet deep, leaving a 2-foot entrance to the stand. Arrangements should be made to provide a 2-foot-wide by 3-foot-deep metal or hardwood board hinged to the built-up stand which would close its entrance and provide the dealer a place to wrap packages and make sales. Because of the variability in the type of operations and commodities sold by dealers in the market, it is recommended that each dealer be required to furnish his own showcase or other container for displaying products. It also should be the responsibility of the tenant to provide equipment that would meet the sanitary specifications established by the city. Tenants' stalls could be partitioned by use of durable steel paneling or closely woven steel netting, but should be constructed so they could be removed if desired. The panels should be approximately 6 feet high. Fluorescent lighting should be provided over each stall.

In order to permit dealers in stands outside the building to operate on a year-round basis, it is recommended that overhead doors be placed at the rear of the stands at the edge of the overhanging roof for use during inclement weather and the winter months. Small access doors and windows should be placed in the overhead doors. In periods of cold weather the doors could be lowered and the dealers given protection while selling.

Days of Marketing

Central Market operated 3 days a week--Tuesdays, Thursdays, and Saturdays. During the survey many tenants in the market expressed the view that this custom should be continued; others recommended 4 and 5 marketing days a week; while in some instances 6 days were recommended.

It should be recognized that with only a 3-day marketing week, the overhead costs per day of market operation are approximately double what they would be were the market open 6 days a week. The costs that would be increased by keeping the market open 5 days would include lights, water, heat, sanitation, policing, and the like, but the major expenses of the market, including interest and amortization payments, would remain the same, regardless of the number of days the market were used. Therefore, it might be desirable to keep the market open every day of the week except Sunday and Monday. Since many of the tenants in Central Market were not gainfully employed during the days the market was closed, this practice might be to their advantage. If the market were to be opened 5 days each week, it would be desirable that those tenants who propose to operate all 5 days should be concentrated, insofar as possible, in one area of the market. This practice would result in savings of light and other facilities and would be of convenience to buyers.

Regardless of the days of market operation, the restaurant should be permitted to operate every day of the week. The restaurant, as planned, would be located in a separate part of the market building, making it possible to close the door between it and the market proper when the market is closed.

SELECTION OF A SUITABLE MARKET LOCATION

If a new retail market were to be built in Cleveland, three groups would be directly concerned with its location: (1) The buyers who come to the market for their supplies; (2) the dealers who sell in the market; and (3) the city, which would be responsible for financing the market and for zoning, planning, maintenance of streets, and other functions. In addition, there are certain other groups interested in the market, including the related retail businesses in downtown Cleveland, the Chamber of Commerce, and the wholesale handlers of food that supply the dealers in the market.

Factors to be Considered in Selecting a Location

Three principal factors should be considered in selecting a location for a retail market to replace Central Market.

Convenience to Buyers

The principal buyers at Central Market were inhabitants of the city, the major part of whom came to the market by public conveyances. A smaller number came by automobile, and a few walked from their residences to the market. The most convenient location for a new central market would be in downtown Cleveland where all streetcars and busses come to a central point, and where there are ample adjacent streets and some assigned areas for parking.

Most streetcars and busses converge into the area adjacent to the Union Railway Station. However, it would be practically impossible to locate a market in this neighborhood because land costs are extremely high and the area is now fully utilized by a great number of businesses, city parks, and memorials. To justify the razing of the buildings in the area for the development of a retail market would be extremely difficult. Neither would it be possible to use the areas devoted to city parks and memorials; as a matter of fact, plans of the city provide for the further development of this area into public parks and parking lots when funds are available. Moreover, this area is congested and seriously lacks parking facilities. For these reasons it is not possible to consider the development of a market at this point.

Another point where public transportation and ample streets and parking areas are available would be an area anywhere from 3 to 10 blocks from the Union Railway Station. One of the central points for public transportation is the Central Market site, but when the proposed new highway is developed, this area will be of lesser importance because many streetcars and busses will be rerouted or no stops will be permitted at this location. About 4 blocks east of the old Central Market location, at East Ninth Street and Bolivar Road, is a concentration of streetcar and bus stops.

Convenience to Market Dealers

Since the dealers operating in the market deliver or receive products by motortruck or other vehicle, it would make very little difference to them where the market is located as long as it can be reached by truck without delay in traffic. Thus, any location that can be reached satisfactorily by buyers would meet the requirements of dealers.

Availability of Land at Reasonable Cost

To develop a market as needed to replace Central Market would require an area of about 312 feet by 200 feet. As mentioned earlier in the discussion of the area in the neighborhood of the Union Railway Station, it is doubtful whether the city could justify the acquisition and razing of buildings or the use of existing parks and certain other high-cost areas in the city for the development of a new market. In the selection of a market site in downtown Cleveland, consideration would need to be given to the present use of the tract and to future plans for the particular area in which the market is to be located. City street plans, zoning, and other ordinances also should be given careful consideration. The cost of the land in any site selected will definitely affect the liquidation of the market costs. Since the city is limited in the amount of bonds that may be issued or the amount of money that may be spent, this factor will require that the land costs, when added to other costs in the development of the market, not exceed the \$1,000,000 earmarked for this purpose.

In considering the cost of land it is necessary also to consider the cost of razing any existing buildings thereon and the cost of fill, grading, and certain other expenditures needed to prepare the site for construction. Therefore, it is necessary to study the proposed sites and evaluate the cost of preparing them for construction before a final determination can be made with respect to land cost.

Suggested Market Sites

In the course of the survey, persons interviewed were asked "Where should the new central market be located"? Two sites were suggested (see fig. 5). Not all areas in the city that might be available for a market site were explored during this survey. The investigation into the availability of sites would have to be made by the city. Only the two sites suggested by dealers and buyers who were interviewed are considered in this report.

Site No. 1, immediately east of Central Market, includes the area bounded by East Fourth Street on the west, Bolivar Road on the north, Eagle Avenue on the south, and the Sheriff Street Market, the Storage Company Warehouse, and the Cleveland Cut Flower Company on the east.

Within this area are a large number of stores, one-floor to two-floors high, housing retail businesses that handle a wide variety of retail products.

Site No. 2 includes the area to the east of the Sheriff Street Market, the Storage Company Warehouse, and the Cleveland Cut Flower Company, extending to East Ninth Street between Bolivar Road and Eagle Avenue. In the latter case it was not contemplated that all the area described would be used, but it was suggested that the new market be located somewhere within this area. For purposes of illustrating the problems relative to the development of the market, only the portion lying east of the Sheriff Street Market and the Storage Company Warehouse to property owned by the Widlar Company, between Bolivar Road and what is known as the "Rope Walk," is included. This section of the site was chosen because the part of the area adjacent to East Ninth Street is currently used for parking and service stations, which are badly needed at this point in the city and would be in still greater demand if a new market house were built in this vicinity. The Widlar Company building is adjacent to the parking area. It is a substantial building that would be costly to purchase. Therefore, the market site could not include this building, and the market would have to face either Bolivar Road or East Ninth Street. For patrons coming to the market by means of public transportation systems passing on East Ninth Street, this location would be ideal, but it was found that most of the patrons who visited Central Market came in public conveyances traversing East Fourth Street and Bolivar Road. The selection of this site would require the razing of a number of residential tenements adjacent to the "Rope Walk" and a few inferior commercial buildings fronting on Bolivar Road. It would be of some advantage for the dealers to be near the cold storage plant now located on East Fourth Street between Bolivar Road and Eagle Avenue.

Recommended Location for the Proposed Retail Market

Since site No. 1 and site No. 2 are both near the corner of East Fourth Street and Bolivar Road, where most of the patrons visiting the market board or leave public conveyances, and since both sites are adjacent to the cold storage warehouse now used by the dealers, there is no essential difference between the sites as to convenience for buyers and dealers. Thus the determining factor in choosing between them would be which was cheaper. As shown in the following chapter, the cost of acquiring site No. 1 would be more than twice the cost of site No. 2. When the cost of building the market is added, the total cost of site No. 1 is more than the \$1,000,000 appropriated for the building of a new market. For this reason the proposed market would have to be developed on site No. 2.

Site No. 2 is near enough to site No. 1 to have the advantage of traffic converging at East Fourth Street and Bolivar Road, and at East Fourth Street and Eagle Avenue. It also is sufficiently near East Ninth Street at Eagle Avenue or Bolivar Road to attract traffic from

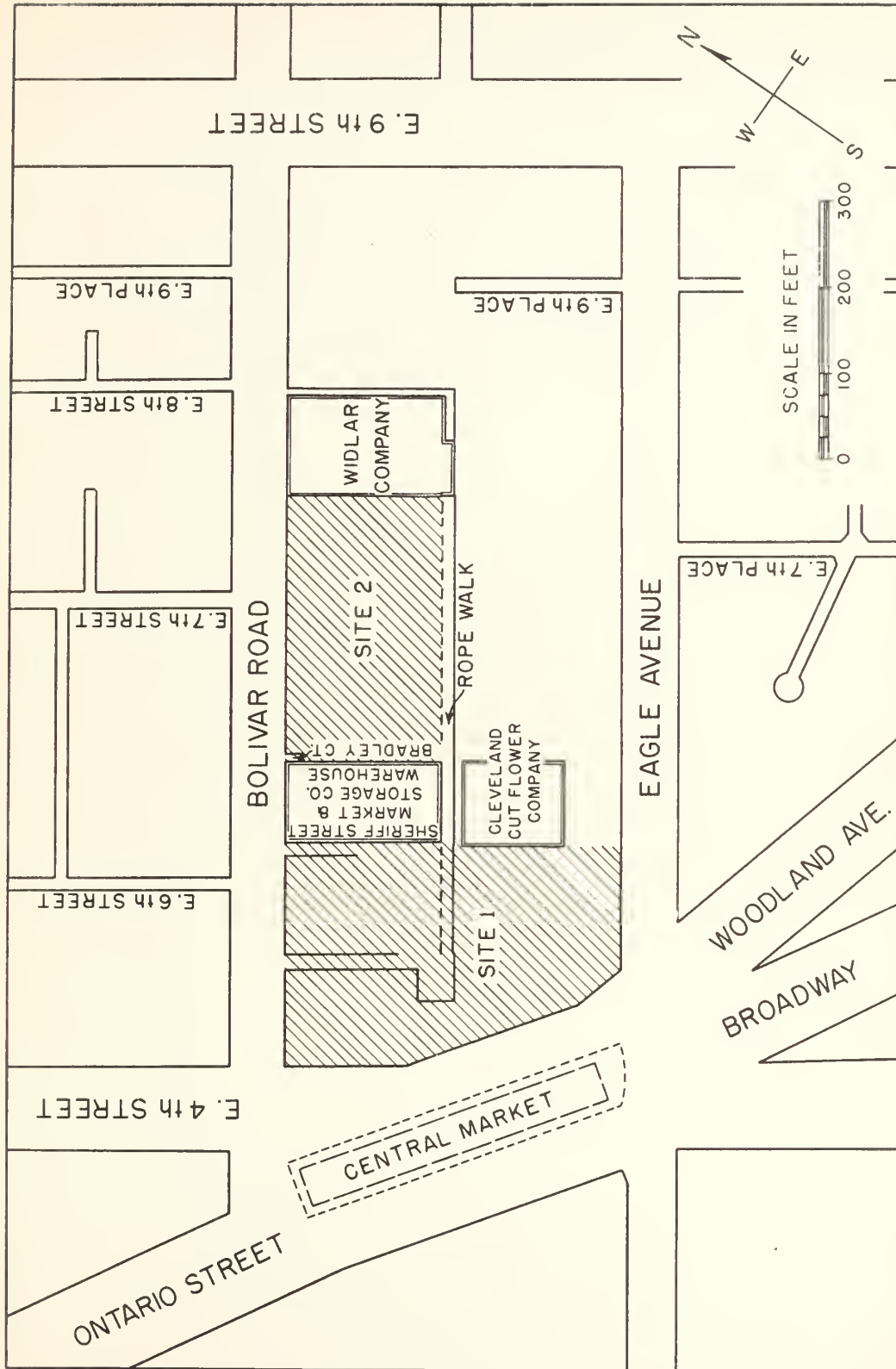


Figure 5

these two locations. Moreover, for private automobiles there is public parking space between Eagle Avenue and Bolivar Road, west of East Ninth Street, and also east of East Fourth Street. Site No. 2 lies strategically between these parking lots, which should make it possible for those who use such facilities to stop and buy in a market on site No. 2.

If site No. 2 were developed, it would be possible to place on it all the facilities needed in the market at this time. It might also be possible to expand the facility at a later date toward Eagle Avenue on the property now owned by the Cleveland Trade School. At the time of this study this school planned to relocate, which would make its property available for another purpose. In the development on site No. 2 it would be desirable to close the alley known as Bradley Court. A right-of-way between the proposed market building and the Widlar Company should be maintained in order to have access to the rear of the market building.

COST OF LAND, CONSTRUCTION, EQUIPMENT, AND DEVELOPMENT

Factors that would have to be taken into consideration in the establishment of a new central retail market, if the project were to be made self-liquidating, would include the purchase price of the land, cost of preparing the land for construction, cost of construction, cost of the equipment provided in the market building, other developments, and operational costs.

Cost of Land in Market Sites

In the layout as shown in figure 4, it has been estimated that a plot of land, approximately 200 feet in width and 312 feet in length, would be required to construct the market house, including the outside stands, outer drive, and streets to the market house. This area does not include all the outside space for parking that may be desired. The need for additional parking space would depend upon the site selected. If either site No. 1 or No. 2 were selected, the city-owned parking lot immediately adjacent to the Widlar Company would be readily accessible to the market. On the basis of 180 percent of the assessed value, the comparative cost of land, including the buildings on it, would be as follows: 7/

<u>Site</u>	<u>Area</u> <u>Sq.ft.</u>	<u>Land</u> <u>Dollars</u>	<u>Buildings</u> <u>Dollars</u>	<u>Total estimated</u> <u>value</u> <u>Dollars</u>	<u>Cost per</u> <u>square foot</u> <u>Dollars</u>
No. 1	65,000	175,428	296,262	471,690	7.26
No. 2	61,794	85,662	139,374	225,036	3.64

It has been estimated that the cost of placing the land in condition for construction on either site would be approximately the same. Under present conditions, a wrecking company might raze the buildings on the sites for the materials to be salvaged therefrom. Since both sites are relatively level, it is not anticipated that any fill would be required; therefore, no extra cost is included to cover this item.

Estimated Cost of Buildings and Equipment

The estimated cost of constructing the facilities as described and as shown in figure 4, and of the equipment recommended would be the same on either of the proposed sites. Based upon costs of labor and materials in the Cleveland area as of January 1948, these costs would be as follows:

7/ Estimates of actual land costs in the area where the market is proposed were made by the city, and it is reported that the actual purchase price for the tracts purchased was approximately 180 percent of the assessed value at the time of the study.

<u>Item</u>	<u>Unit</u> <u>Number</u>	<u>Cost per unit</u> <u>Dollars</u>	<u>Total cost</u> <u>Dollars</u>
Buildings (sq.ft.)	1/86,430	7.50	648,225
Outside tables	76	20.00	1,520
Inside tables	2/143	50.00	7,150
Stall partitions	101	3/30.00	3,030
Garbage and trash containers	20	1,000.00	20,000
Total cost			679,925

1/ Based on 12-foot height of columns and dimensions of building 258 feet by 134 feet.

2/ Including 6 fish stalls.

3/ Includes aluminum, sheet metal, or steel mesh screen and allows for 1 1/4-inch pipe support.

Engineering fees are not included in the above estimates because the city provides this service.

These estimates are used for illustration and are not intended to replace any estimate that might be made by local architects or contractors who bid on the final plans. Cost of labor and materials in Cleveland for the market house structure and the equipment recommended may vary somewhat from costs shown for the area as a whole, and at the time of construction they may differ from the costs at the time of the estimate.

Taxes

Since the city would own the facility, no taxes would be levied against it.

Annual Interest and Principal Payments

If the market is to be self-liquidating, the investment must be amortized from market revenue. Since existing legislation in Ohio prevents the city from issuing bonds with a maturity date of more than 25 years, the calculations shown herein are based upon a 25-year liquidation period. It should be pointed out that there is no urgent need to attempt to liquidate in a short time the cost of land and structural developments of a market in a city like Cleveland. The city would own the land under any circumstances, and land has a tendency to increase in value over a long period. If it were not for the existence of the legislation requiring the liquidation within 25 years, a longer period would be recommended.

It is contemplated that the city would issue bonds to cover the cost of the proposed new retail market. These bonds should be made subject to call on any interest payment date so that in years when revenues exceed expenses, including principal and interest payments, a larger amount of bonds than planned may be paid off. Most city bonds at the time of this study were being sold at about 2 percent interest. For purposes of this report, a rate of 3 percent is used because the bonds should be made callable and it may not be possible to secure the funds needed at the present going rate under these circumstances.

If the land were purchased at 180 percent of the assessed value, the total investment in land, buildings, and equipment would be \$1,151,615 on site No. 1 and \$904,961 on site No. 2. If the cost of the land and buildings approximate these estimated values, the city will not have sufficient funds to build a market on site No. 1 with the \$1,000,000 bonds earmarked for this purpose.

The annual interest and principal payments needed to liquidate the \$1,151,615 investment on site No. 1, in a period of 25 years at 3 percent interest, would be \$66,137. For the total investment of \$904,961 on site No. 2, an annual interest and principal payment of \$51,972 would be required.

Estimated Annual Cost of Management

In any market provision must be made for funds to pay for salaries, the upkeep of facilities and equipment, and other miscellaneous expenses. For the proposed market in Cleveland, these costs are estimated to be \$48,800, as shown below.

No allowance was made for the cost of operating the parking-lot facilities because the officials of the city stated that State legislation prevented the city from operating parking facilities for income; the parking facilities therefore would have to be leased to a private operator.

<u>Item</u>	<u>Annual cost</u> <u>Dollars</u>
1 Market manager (prorated commissioner cost) 1/	3,000
1 Assistant manager	4,500
1 Secretary-clerk	2,400
4 Janitors	10,000
1 City policeman	3,600
Electric lights	10,000
Water	4,000
Office supplies	1,000
Heat and gas	2,500
Telephone	300
Miscellaneous expenses and charges	3,000
Garbage removal 2/	4,500
Total estimated annual expenses of management	3/48,800

1/ This amount would represent the part chargeable to this market. The commissioner of markets operates four such markets.

2/ This estimate is based upon a payment to the city of \$3 per load of garbage and trash removed and an estimated 10 loads per market day. It may be possible to reduce this cost substantially by contracting the removal of the garbage with some individual desiring to acquire the garbage for feeding or other purposes. The disposal would depend upon city regulations.

3/ This amount is considerably larger than the expenditures shown previously in this report for the Central Market in 1946, because no charges were made against the old market for street cleaning, policing, electricity, water, and garbage removal.

Estimated Total Annual Cost of Operation

The total annual costs of management and liquidation on the two sites are shown below. These costs vary for the two sites only because of the difference in land costs.

<u>Item</u>	<u>Site No. 1</u> <u>Dollars</u>	<u>Site No. 2</u> <u>Dollars</u>
Interest and principal	66,137	51,972
Cost of management	48,800	48,800
Estimated total annual cost	114,937	100,772

ESTIMATED REVENUE FROM RENTALS OF THE FACILITIES

If the proposed retail market is to be self-liquidating, and the city and its citizens are interested in finding out this fact, rentals and other income from those who would use the market stands and the restaurant and parking areas would have to be sufficient to meet the total annual operating expenses. For this purpose, the following assumptions were made with respect to the rentals that might be obtained from the market stands. The assumed rentals are 30 percent more than the rents paid in the old Central Market in 1946.

<u>Item</u>	<u>Revenue</u> <u>Dollars</u>
76 outside stands at 90 percent occupancy @ \$3.20 per square foot	14,008
137 inside stalls at 93 percent occupancy @ \$4.80 per square foot	49,537
6 fish stalls--5 occupied @ \$5.20 per square foot	2,106
1 35 by 45 restaurant @ \$2.50 per square foot <u>1/</u>	<u>3,935</u>
Total estimated annual revenue from leasing market stands and restaurant	69,586
Estimated revenue needed on site No. 1	114,937
Deficit in receipts over expenditures on site No. 1 <u>2/</u>	45,351
Estimated revenue needed on site No. 2	100,772
Deficit in receipts over expenditures on site No. 2 <u>2/</u>	31,186

1/ The restaurant probably would be leased on a bid basis by the city; therefore, the revenue might be more or less than that shown above.

2/ The only possible other source of revenue to cover this deficit would be from parking areas.

In the foregoing estimate no allowance has been made for revenue from the parking space on the roof and in the basement, or for space adjacent to the market building. The roof and the basement would be 134 feet wide and 258 feet long, and each would contain 34,572 square feet. After a deduction of space in the basement for the columns supporting the first floor, garbage and trash chutes, service rooms, and a right-of-way to the chutes, the available space would be reduced by about 20 percent, leaving about 27,500 square feet for other uses. Therefore the total space in the basement and on the roof which could be made available for parking would amount to approximately 62,000 square feet.

It would appear that the only way the city could meet the annual payments on the investment in the land and building would be by leasing the basement space, roof parking, and other space that might be available to a private individual or corporation for parking service or for some other purpose. To obtain sufficient revenue to amortize the total

investment within 25 years and pay operating expenses of \$48,800 per year, this space would have to be leased at \$4,000 per month on site No. 1 and for nearly \$3,000 per month on site No. 2.

The problem of leasing this space at from \$3,000 to \$4,000 per month was discussed with officials of the city early in 1948, when they stated that it would not be possible to obtain a secure lease from a responsible firm for the facilities offered at these figures.

CONCLUSIONS

In view of the fact that the estimated potential revenue from the market proposed for the downtown section of Cleveland falls short of the approximately \$100,000 per year that would be required to liquidate the investment within 25 years and to pay annual operating expenses of about \$49,000, it is necessary to find some way to reduce the annual income needed from the market if the new facility is to be self-supporting. In seeking a way to reduce the annual income required, attention naturally falls first on the difference between the estimated day-to-day operating costs of the proposed market, amounting to about \$49,000, and the operating costs in the old Central Market in 1946, which amounted to only about \$15,000. The latter, however, did not include some costs of day-to-day operations, such as policing of the market, garbage removal, street cleaning, electricity, and water. If all these costs had been added to the reported expenditures for Central Market in 1946, the total probably would have been almost twice the reported expenditures. Since a new market would have to be self-supporting, all these expenses would have to be paid from market revenue. If the estimated expenses on the new market could be reduced to the 1946 figure, the annual income needed would drop to about \$81,000. In view of the fact that prices of most goods and services have greatly increased since 1946, and since more electricity and water would be required in the proposed new market than were used in the old, it would not appear possible to operate the new market at the 1946 level of expenditures. But if in some way the total expenses of the market for all purposes could be held to \$81,000 and if the \$70,000 annual income estimated from rental of stands and restaurant could be obtained from those sources, it would be necessary to receive for the lease of parking facilities in and around the market only about \$1,000 per month. In view of the fact that the size of the day-to-day operating expenses would largely determine whether a new market building would be self-liquidating, attention should be given to the composition of the estimated expenses, with a view of making a careful determination of their accuracy and of the possibility and willingness of the interested people to reduce them below the estimates.

A second approach to reducing the amount of annual revenue needed would be to seek ways of reducing the approximately \$52,000 payments per year for amortization of investment in land and buildings. This amount is necessary to amortize the investment only if the total cost of land and buildings is amortized within a 25-year period at 3 percent interest. About one-fourth of the cost of the proposed market represents the value of the land, which will undoubtedly increase over the years. If the cost of the land were not liquidated in 25 years, but only interest were paid on the money invested in it, the annual requirements for debt service would be reduced. Likewise, if the money could be borrowed for a lower interest rate than 3 percent, the annual requirements for debt service would be lowered. There remains the question as to the desirability of amortizing the cost of the building within a 25-year period. The 25-year period was used because of a statement made in conference with city officials that the law required the bonds to be repaid within a period not in excess of 25 years. The use of this period

for determining the annual payments required to liquidate the cost of the building was not meant to imply that the building would have no value at the end of the 25-years. In view of the fact that a large number of the public retail markets in the country have ceased to operate within 25 years after being built, there is some question as to whether a public retail market of this type would still be needed at the end of that time. Therefore, in determining the proper amortization period for the building, consideration should be given to its probable value for uses other than a public market. The possibility of reducing by one or more of these means the \$52,000 estimate of the amount needed annually to amortize the investment should be carefully explored by those interested in building a market.

A third way to reduce the annual income that would be required to make a new market self-supporting would be to find cheaper land or to build a less expensive building. The only apparent way of finding cheaper land would be to seek a location outside the downtown area. This, of course, would open up the question as to whether the present customers of the market would transfer their patronage to a market in some other area. Before deciding to move the market to another area, careful attention would have to be given to the possible loss of these customers. In view of the fact that the building proposed is not an elaborate structure, it is difficult to see how it would be possible to reduce its cost and still maintain an enclosed selling space that would be satisfactory.

When these possibilities of reducing the annual operating expenses have been exhausted and found impracticable, the only remaining consideration for solving this problem would be with respect to the possibility of charging higher rentals than have been used in estimating the income that could be received from the operators of stands in the market and from the lease of the restaurant. In view of the fact that the rental estimates already represent an increase of 30 percent over the amount paid for the use of stands in the old market, it would appear to be dangerous to base the conclusion that a new market would be financially sound on the assumption that higher rents than these could be collected.

The final determination of whether a new public retail market should be built in downtown Cleveland to replace the Central Market will, of course, be made by city officials in Cleveland. It is hoped that the data contained in this report will help them in reaching the proper decision. In the meantime, many of the retailers who were doing business in the old Central Market building at the time it burned in December 1949 have relocated in a nearby private warehouse. While this warehouse is old, it is a substantially better building than the old market building, it is large enough to meet the needs of the persons operating in it, and presumably the dealers can continue to operate their indefinitely, certainly pending a decision by the city as to the desirability of building a new public market.

